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Agenda item 91 (b)
Macroeconomic policy questions: financing of development, including net transfer of resources between developing and developed countries

High-level international intergovernmental consideration of financing for development: recurring themes and key elements

Note by the Secretary-General

I. Introduction

1. The General Assembly, in its resolution 52/179 of 18 December 1997, decided to convene a resumed session of the Second Committee of the fifty-second session of the Assembly in order to solicit the views of Governments on key elements that might be included in the consideration of the topic of financing for development and on the inputs required from a broad range of stakeholders, including actors both within and outside the United Nations system. In the same resolution, the Assembly also requested the Secretary-General to ensure that the reports containing those views, and requested at the resumed session, were compiled and forwarded to Governments at the fifty-third session of the Assembly. This material was to be accompanied by an index report indicating recurring themes and key elements found in the responses from the stakeholders.

2. The Second Committee met on 19 March 1998 (see A/C.2/52/SR.52). In the light of the discussions at that time, the Secretariat developed an open-ended questionnaire and solicited views of delegations on the structure and form of the questionnaire at a briefing in May 1998. The questionnaire was then sent to a broad range of stakeholders from all regions. In addition, the questionnaire was made available on the Internet and redistributed by various international organizations to their constituencies.

3. Over 180 replies were received by the Secretariat by 15 September 1998. Tables 1 and 2 provide a summary of the distribution of the questionnaire and the responses. The present note presents the recurring themes and key elements that were identified from the replies. Unless they were updated by a reply to the questionnaire, government statements to the Second Committee at its resumed session were also utilized in identifying the themes and key elements.

4. A large amount of information was provided to the Secretariat by stakeholders in responding to the questionnaire. In order to make these inputs available to delegations and to the public at large, all responses have been incorporated in a database that can be found on the Internet at: http://www.un.org/esa/analysis/ffd.htm. In addition, the Secretariat has compiled a listing of bibliographic citations to documents and reports provided to the Secretariat during this process, as well as citations to major United Nations system-related documents published since 1996. This listing is available to delegations upon request and is also available on the Internet at the location referred to above.

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5. This note is complemented by a second document on the current work of the United Nations system that addresses financing for development.

Table 1
Distribution of the questionnaire and responses, by type of stakeholder

Stakeholder type	*Questionnaires sent*	*Replies received*	*Response rate (percentage)*
Total	1 394	185	13.3
National Government or agency	218	48[a]	21.9
Intergovernmental body	108	38	35.5
Public financial institution	190	44	23.2
Private sector financial institution	274	8	2.9
Business and industry	163	2	1.2
Research body	266	21	7.9
Policy advocacy organization	110	17	15.5
Other	65	7	10.8

[a] Including one response from the European Union on behalf of its 15 members.

Table 2
Distribution of the questionnaire and responses, by country group and by geographical region

	Questionnaires sent	*Replies received*	*Response rate (percentage)*
World	1 394	185	13.3
Developed countries	773	70[a]	9.1
Economies in transition	64	17	26.6
Developing countries	476	73	15.3
Africa	161	10	6.2
Asia	173	37	21.4
Latin America and the Caribbean	122	19	15.6
Oceania	20	7	35.0
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International organizations	47	25	53.2

[a] Including one response from the European Union on behalf of its 15 members.

II. Recurring themes and key elements identified by stakeholders

1. Mobilizing domestic resources for development

Domestic human development and capacity-building
- Education and training
- Health and environmental protection
- Development of the private sector

Economic policies and measures
- Fiscal policy and institutions
- Monetary policy and institutions
- Savings policy
- Tax policy and institutions
- Income distribution and income concentration

Domestic financial markets and institutions
- Capital markets
- Financial institutions
- Banking system
- Microfinancing and microcredit institutions
- Domestic pension funds

Public administration and governance
- Domestic business legal framework
- Effective enforcement of laws and anti-corruption programmes
- Public participation in economic policy-making
- Policy coordination and coherence

2. Mobilizing international private financial flows for development

Private capital flows for capacity-building
- Education and training
- Development of local entrepreneurs
- Sustainable development

Utilization of different investment channels
- Foreign direct investment
- Private short-term financial flows
- Foreign portfolio investment
- Management and production contractual relations
- Project finance and management

Domestic policies on international private financial flows
- Privatization programmes

- Supervisory and regulatory arrangements
- Incentive and investment promotion programmes
- Financial market liberalization
- Credit guarantee programmes
- Disclosure of financial information

International policies on international private financial flows
- Bilateral and multilateral investment agreements
- Cross-border mergers and acquisitions
- International accounting and reporting standards
- Cross-border illicit payments
- Economic and Monetary Union (EMU)
- Market evaluations and assessments

Management of international private financial flows
- Management of currencies
- Management of volatility and its effects on development
- Management of environmental and social effects
- Leverage of international private financial resources

Distribution of private investment flows
- Least developed countries
- Sub-Saharan Africa
- Small island developing countries

3. International financial cooperation for development

International support for capacity-building
- Education and training
- Health and environment
- Poverty alleviation and humanitarian assistance
- Private sector development

Development cooperation arrangements
- Donor country policies and actions
  - Overall level of financial flows
  - Donor coordination
  - Conditionality
- Recipient countries' policies and actions
- Meeting commitments made at United Nations conferences

Official development assistance (ODA)
- Bilateral assistance
- Regional cooperation
  - Regional development banks
  - South-South aid programmes
- Multilateral assistance
- International financial institutions and assistance
- United Nations system
- Multi-bilateral aid

Non-governmental assistance (non-governmental organizations, foundations)

Effectiveness of international assistance
- Measurement and criteria for evaluation

Specific country groups

4. External debt (bilateral, multilateral and commercial)

Bilateral public sector debt

Multilateral public sector debt
- Heavily Indebted Poor Countries (HIPC) Debt Initiative

Commercial market
- Private sector debt
- Public sector debt

Aspects of external debt
- Management, monitoring and sustainability
- Consequences and impacts
- Alleviation and new solutions
- Responsibilities, problems and actions

Debt conversion
- Debt-for-nature swaps
- Debt-for-equity swaps
- Other debt-for-development swaps

Specific country groups
- Low-income countries
- Middle-income countries

5. Financing for development and trade

Capacity-building and institutional development
- Education and training
- Institutions

Trade policy

Multilateral trading arrangements

Regional trade arrangements
- South-South trade and cooperation

Trade financing

Expansion of trade
Market access
Trade promotion

Social and environmental issues in trade

Specific country groups

6. Innovative sources of financing

Uses of domestic capital markets
Use of international capital markets
New structures in public-private partnerships
Alternative types of taxation
New social dividends
Other proposals

7. Governance of the international monetary, financial and trade systems

Membership and participation
Role and activities of multilateral organizations
System performance
Crisis management and prevention
Institutional aspects
Supervisory mechanisms
Rules, standards and regulations

8. Interrelationship between major elements and other special topics

Role of the State
Peacemaking, military matters and development finance
Pace and nature of globalization
Overall international economic and financial environment
Linkages between economic polices and social priorities for development financing
Non-recurrent themes